

DRAFT

Nigeria Agriculture Policy Support Facility (A-PSF)

**An Agricultural Policy, Research and Knowledge Program
to support Nigeria's
National Economic Empowerment and Development Strategy (NEEDS)**

a) Executive Summary

Nigeria faces serious poverty challenges and it is estimated that two-thirds of Nigerians now live below the poverty line of 1 US\$ per day, most of them in rural areas. Recognizing this challenge the Federal Government of Nigeria has identified investments in agriculture and rural development as a major priority.

In the past few years various rural development strategies have been formulated that offer a promising strategic direction to achieve poverty reduction, food security, and accelerated economic development. Yet, despite the articulation of these strategies and the commitment of Government and donors to the broader framework of pro-poor rural development, many complex issues remain to be resolved regarding the design, implementation, and monitoring of the progress of the strategies as they unfold.

The release of Nigeria's National Economic Empowerment and Development Strategy (NEEDS) provides an ideal platform for the international community to support Nigeria's efforts to revitalize agriculture as an engine for pro-poor growth and employment creation in Nigeria.

The proposed Agriculture Policy Support Facility (A-PSF), envisaged as a joint initiative between the Government of Nigeria and CIDA, DFID and USAID, will be designed as a collective donor response to the policy thrusts under the NEEDS reform agenda in the agriculture sector. Specifically, A-PSF will aim to improve the data and knowledge base available for applied policy analysis in agriculture, most notably the knowledge gaps concerning the development of a Sector-Wide Strategy in Agriculture as mandated by the NEEDS, and to strengthen the national capacity for practical, applied evidence-based policy research that directly informs the preparation of the Sector-Wide Strategy in Agriculture.

The main purpose of the A-PSF is to strengthen the capacity of the federal and, depending on the outcome of the state SEEDS benchmarking process led by the National Planning Commission, possibly selected state governments, to improve the design and implementation of evidence-based, pro-poor, gender-sensitive agriculture policies to promote sustainable agriculture and food security in Nigeria. Three major program results are expected: first, improved national policy analysis and development capacity under the auspices of the NEEDS; second, strengthened capacity in carrying out practical

applied policy research; and third, increased and improved linkages and consultation between the government and key stakeholders, including the research community, civil society, and small-scale farmers on promoting private sector led growth in agriculture as articulated in the NEEDS. Ultimately, the program would be expected to contribute to increased rural agricultural investments, improved agricultural productivity, particularly of low-income farmers and women, and pro-poor growth and poverty reduction.

To achieve these results the program would

- 1) institutionalize an integrated Rural Economy Knowledge Support System (REKSS) at Federal and selected state levels, which would manage and streamline existing and new knowledge and data on the rural economy;
- 2) undertake applied policy research on key knowledge gaps identified under this program in support of Nigeria's development of its Sector-Wide Strategy in Agriculture;
- 3) improve technical capacity on agricultural and food policy analysis through training and collaborative research activities;
- 4) promote evidence-based and informed dialogue on policy issues amongst Government, donors, research community and civil society; and
- 5) strengthen working relationships between Federal and state level policy makers and researchers.

In order to be successful the program must be Nigeria-driven and Nigeria-owned, with policy makers and researchers at the national and state levels being closely involved in setting project priorities and guiding the process.

The International Food Policy and Research Institute (IFPRI) is proposed as the collaborative partner to work with the Federal Ministry of Agriculture and Rural Development (FMARD), National Planning Commission (NPC), Federal Ministry of Finance, and other key stakeholders to strengthen the policy environment for agricultural growth under the NEEDS.

IFPRI would not be able to consolidate the design of the current proposal and confirm key stakeholder ownership and linkages without conducting an exploratory mission to Nigeria. A two phase action plan is therefore proposed, starting with a detailed design phase, including a multi-divisional IFPRI mission to Nigeria in the first quarter of 2005, a high-level roundtable discussion with Government and other stakeholders, and consultations with the Nigerian Donor Group on Agriculture and Rural Development. This would lead to a program implementation phase of an initial three years, starting off with an inception workshop and ending with an evaluation in year three.

It is expected that the Ministry of Agriculture and Rural Development (FMARD) would act as the focal government agency at Federal level that will directly interface with IFPRI and other development partners on the consolidated design and management of the proposed research and knowledge support program. Other key state actors, e.g., Ministry of Finance, Central Bank of Nigeria, National Planning Commission, House/Senate

Committees on Agriculture and Rural Development, will also be targeted. A number of important non-state actors will also be involved, e.g., universities and other key research institutes such as the University of Ibadan, the African Institute of Applied Economics (AIAE), the Nigerian Institute of Social and Economic Research (NISER), and a number of National and State level Agricultural Research Centres, and NGOs would each be involved in the A-PSF to varying degrees, as would the business community, farmers' organizations, and other private sector institutions.

Budget

The budget for the first phase of the project is estimated at US\$xxx,xxx.

Only an indicative budget for the second phase is possible at this time, and that is a total of US\$5 million over three years. IFPRI plans to assess the interest of other donors in providing complementary funding to this joint policy initiative in support of the NEEDS.

b) Background

The Development Problematique

Nigeria faces serious poverty challenges and it is estimated that two-thirds of Nigerians now live below the poverty line of 1 US\$ per day, most of them in rural areas, a figure that is up from 43 percent in 1985.

Recognizing this challenge the Federal Government of Nigeria in March 2004 formally launched its National Economic Empowerment and Development Strategy (NEEDS), which identifies agriculture and reforming government and its institutions as core elements of economic growth. **Box 1** outlines Nigeria's key policy thrusts for agriculture and food security.

In general terms, the NEEDS offers a very promising strategic direction to achieve poverty reduction, food security, and accelerated economic development. Yet, Nigeria's agricultural sector has consistently failed to attract the levels of investment required to accelerate growth. A number of problems remain, particularly in the implementation of the strategies, including:

- continued heavy public sector involvement in "private sector" areas;
- macro-economic instability and appreciation of the real exchange rate;
- policy inconsistency and political interference;
- an inadequate budget and poor infrastructure investments;
- low institutional capacity;
- the failure to carry along key stakeholders;
- input subsidies and lack of commercial bank lending to farmers; and
- protective trade policies to large agro-industries.

Also, in spite of the existence of federal policy, there has been little harmonization of projects or programs among the Federal, State, and local governments at the stage of implementation. This has resulted in replication of government efforts throughout the country.

Despite the articulation of these strategies and the commitment of Government and donors to the broader framework of pro-poor rural development, many complex issues

Box 1: Policy Trusts and Targets for Agriculture and Food Security in Nigeria

Policy Trust	Targets
<ul style="list-style-type: none"> • Provide the right policy environment and target incentives for private investment in the sector. • Implement a new agricultural and rural development policy aimed at addressing the constraints in the sector • Foster effective linkages with industry to achieve maximum value-added and processing for export • Modernize production and create an agricultural sector that is responsive to the demands and realities of the Nigerian economy in order to create more agricultural and rural employment opportunities, which will increase the income of farmers and rural dwellers. • Reverse the trend in the import of food (which stood at 14.5 percent of total imports at the end of 2001), through a progressive programme for agricultural expansion. The government is committed to reducing the growing food import bill to stem the rising trade imbalance as well as diversify the foreign exchange earning base. • Strive towards food security and a food surplus that could be exported. • Invest in improving the quality of the environment in order to increase crop yields. 	<ul style="list-style-type: none"> • Achieve minimum annual growth rate of 6 percent in agriculture. • Raise agricultural exports to \$3 billion by 2007. A major component of these exports will be cassava. • Drastically reduce food imports, from 14.5 percent by 2007 • Develop and implement a scheme of land preparation services to increase cultivable arable land by 10 percent a year and foster private sector participation through incentive schemes. • Promote the adoption of environment friendly practices • Protect all prime agricultural lands for continued agricultural production.

Source: Nigeria Economic Empowerment and Development Strategy (NEEDS), 2004

remain to be resolved regarding the design, implementation, and monitoring of the progress of the strategy as it unfolds. The policy development and research community in Nigeria at present does not have sufficient capacity to adequately support, implement, and advance the rural development strategy that Nigeria has embarked on. This deficiency is due to a number of factors, including lack of resources, human power, appropriate skills and training, and inadequate investment in data support systems.

Given these constraints, an Agriculture Policy Support Facility (A-PSF) is proposed that will:

- Improve the data and knowledge base available for applied policy analysis
- Address specific knowledge gaps concerning the design and implementation of the strategy, and
- Strengthen the national capacity for practical, applied policy research that directly informs the rural development strategy.

In addition, such a program could generate momentum within the research community and enhance the communication between researchers and policymakers. Finally, it could also help improve coordination between federal and state government agencies and among donors vis-à-vis Nigeria's development of its Sector-Wide Strategy in Agriculture under the NEEDS.

c) The Program

i) Purpose Statement and Expected Results

The ultimate goal of the proposed Agriculture Policy Support Facility (A-PSF) is a better and more inclusive design and implementation of evidence-based, pro-poor, gender-sensitive, and sustainable rural agricultural policies and strategies in Nigeria (see Logical Framework Analysis, Annex D). This would in turn contribute to increased rural agricultural investments, improved agricultural productivity particularly of low-income farmers, and pro-poor growth and poverty reduction. It is recognized that a number of complementary factors have to be in place to ensure full impact that are outside the influence of this program.

The main purpose of the program itself is to strengthen the capacity of federal and selected state governments to design and plan the implementation of rural development policies and strategies. Three major program outcomes are expected: (1) strengthened national policy analysis and development capacity; (2) strengthened capacity in carrying out practical applied policy research; and (3) increased and improved linkages and consultation between the government and key stakeholders, including between relevant Federal and State agencies.

Five major outputs would be working towards achieving the program's intended purpose and outcomes: (1) the institutionalization of an integrated Rural Economy Knowledge Support System (REKSS) at Federal and selected state level; this would include improved data management and analysis particularly on key thematic policy areas; synthesis of existing research; and M&E; (2) applied policy research on key knowledge gaps identified under this program; (3) improved technical capacity on agricultural and food policy analysis through training and collaborative research activities; (4) better mechanisms to promote evidence-based, informed dialogue on policy issues amongst Government, donors, research community and civil society; and (5) Strengthened working relationships between Federal and state level policy makers and researchers.

ii) Program description

It is proposed that the International Food Policy Research Institute (IFPRI), an internationally renowned agricultural policy research center, assist in developing and implementing a locally based A-PSF with the following objectives:

1. To generate policy research results to fill key knowledge gaps on a needs basis that would help strengthen the further development, operationalization, and implementation of Nigeria's rural development strategy. It is expected that implementation issues, such as prioritizing, sequencing, and phasing in of policy reforms will feature prominently among the topics selected for study.
2. To build a stronger and more integrated knowledge support system within the country to underpin future agricultural policy analysis and to help inform key rural development strategy decisions at all levels (hereafter called the Rural Economy Knowledge Support System (REKSS));
3. To give priority to long-term national capacity building for policy analysis to ensure sustainability and country ownership. The primary objective would be to build up a cadre of trained policy analysts within government, particularly the Federal Ministry of Agricultural and Rural Development / Planning Research and Statistics Department (FMARD/PRS), and to strengthen their links to a network of policy analysts within national research organizations and elsewhere; and
4. To contribute to the design and implementation of a national monitoring and evaluation system for the rural sector to track progress against goals and to provide feedback on how the strategy and its implementation can be improved over time. This is particularly important in view of the need to monitor progress against the Millennium Development Goals.
5. To facilitate regular policy workshops and roundtables which would provide an opportunity for improved and more evidence-based and informed dialogue on policy issues between Government, donors, research community, and civil society. These events should facilitate a broader policy debate based on solid evidence and research.

In seeking to achieve these objectives, the program would be guided by the following principles:

- In order to be successful such a program must be Nigeria-driven and Nigeria-owned. This requires a proper assessment of policy support needs as expressed by major Government and local research institutions. Listening to the voices of civil society and farmers themselves is equally important.
- While providing intellectual leadership IFPRI will work closely with policy makers and researchers at the national and state levels in setting priorities and

disseminating results from the program's activities. Activities will be undertaken within Nigeria to the greatest extent possible, and IFPRI will base its key team members in Abuja for this purpose.

- In setting research agendas and priorities proper attention is paid to ensure pro-poor outcomes that are gender-sensitive and environmentally sustainable.

Program Activities and Outputs

It is proposed that the A-PSF be carried out over an initial period of 3 years, but the program may be extended subject to a careful review in year 3. Over this initial period, the program would focus on a sequence of research, knowledge networking, capacity strengthening and communications activities.

The program would consist of the following four pillars:

- A **rural economy knowledge support system (REKSS)** to integrate knowledge and conduct analyses on the rural economy, as well as to track the impact of rural investments and activities
- **Actionable applied research** to improve or fill knowledge gaps in rural development
- Policy analysis **capacity strengthening** through targeted training and related activities
- Strengthening working relationships of **Federal and State level researchers and policy makers**

Pillar 1: Development of a Rural Economy Knowledge Support System (REKSS)

The central activity of the proposed program would be the creation of a system for managing and streamlining existing and new knowledge on the rural economy, in all its various dimensions, to provide a much stronger foundation for policy analysis and for informing rural development strategy decisions. The proposed Rural Economy Knowledge Support System (REKSS) would provide a framework for integrating on continuing and timely basis relevant information that is already available or planned into a coherent knowledge management system and for identifying important information gaps that need to be filled.

This would include improvements of the national data base through compilation and integration of key data at the micro, meso, and macro levels (where possible spatially referenced); as well as technical support for application of practical analytical tools and systems to facilitate policy relevant research. The REKSS would thus provide an opportunity to synthesize existing research and data and enhance its value for informing policy. REKSS would be designed to prominently incorporate gender in its data collection, management, and analysis.

It is expected that REKSS would be housed at the Ministry of Agriculture and Rural Development (FMARD) but that some components would also be housed at other Ministries and perhaps one or two state government agencies, according to need. The program would help build the capacity of relevant institutions to fulfill this role.

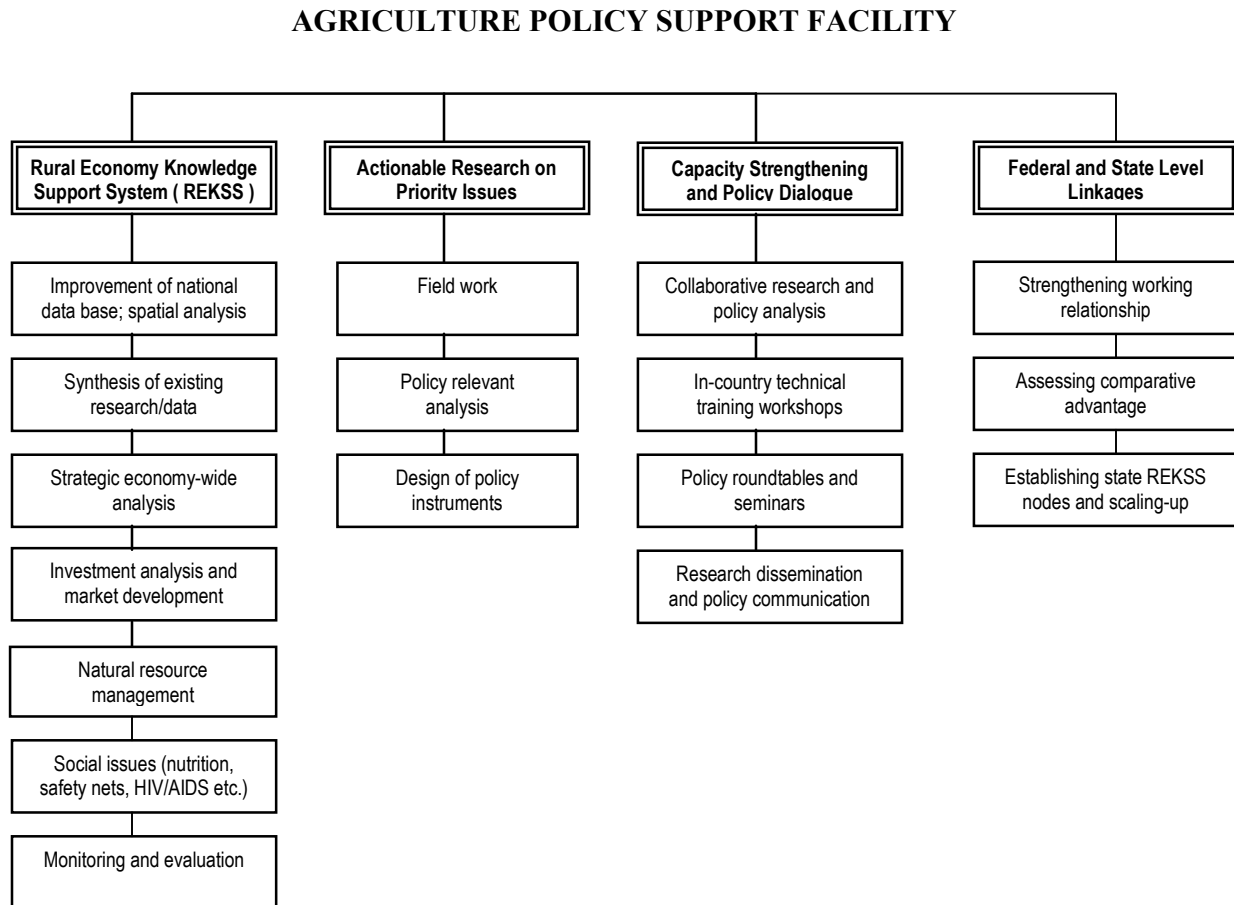
The success of a REKSS will depend on how key Nigerian partner organizations and stakeholders (e.g. research institutions, government ministries, universities, regional organizations, and so forth) perceive and can be engaged to help fashion its relevance and utility, and are convinced of its usefulness in making rural development strategy decisions. Only through such levels of institutional engagement will the knowledge support system be able to provide improved and commonly accepted approaches that can foster, enhance, and improve synergies among the varied and multiple development efforts in Nigeria's rural economy.

To begin the process of establishing a REKSS in Nigeria, an inventory of existing data and knowledge sources relevant to rural development would be undertaken, as well of the key players and institutions involved. This would be followed by a project inception workshop organized to bring together key stakeholders, both potential users and contributors to the knowledge system. The consultative process will help share information and ideas about the intended scope and content of the REKSS, its ownership and governance structure, principles of operation and knowledge access, and where to house and institutionalize it.

An important feature of the design and implementation of the REKSS is that it should remain an inherently flexible tool that can embody a wide range of information and types

of analysis depending on the needs of key stakeholders. The system should be set up and maintained as a public good that is accessible to a wide range of potential users.

FIGURE 1



A spatially referenced data set

A distinguishing feature of REKSS is that as far as possible all information would be spatially referenced in order to facilitate location specific analysis for rural development and food security strategy. The spatial mapping of key information also provides a powerful basis for linking agricultural and rural development strategy with strategy decisions in other sectors, such as health, environment, water, and safety net programs. This includes the compilation and expansion of a spatially referenced data base on key attributes of the rural economy including indicators of agricultural potential, market access, social well-being, environmental sustainability, etc. Such a dataset has many potential uses, including delineation of agricultural development domains to provide a better basis for tailoring rural development strategies to the diverse conditions found in rural areas across the country. While basic spatial referencing work has already started in

Nigeria, much remains to be done in terms of the range of variables to be included and the resolution of the maps produced.

Strategic economy-wide analysis

Another key activity relates to the construction of a simulation model of the national economy for exploring the long term consequences for growth and poverty reduction of alternative scenarios for rural investments and policy reform and to explore the relative benefits of targeting investments in different regions in terms of their potential contributions to growth and poverty alleviation. Such a model also allows for estimates of the growth rates required to achieve the Millennium Development Goals. IFPRI has already developed a prototype model for Nigeria that should be further improved and expanded.

Investment analysis and market development

A key feature of the REKSS would be economic analyses to inform and guide investment priorities at the level of development domains – areas with distinct development options as defined by their agro-ecological potential, population densities and market conditions. This includes assessments of comparative advantage in producing certain commodities, agronomic potential to increase production and productivity, environmental effects, benefits accruing for the poor and malnourished, and overall demand opportunities for the commodity in local, regional, and international markets. Such an approach also identifies bottlenecks (e.g. infrastructure, markets, education, and finance services) that would need to be overcome if the potentials are to be exploited. The analysis of trade policy and its diverse impacts on different groups of farmers requires particular attention in this context.

Nigeria's move towards more market-orientation in its rural sector appears to be hampered by continued ineffective market policies and distortions, weak institutions, and inadequate infrastructure. The REKSS would help to shed more light on identifying and implementing strategies that can prioritize and advance institutions to promote market efficiency, reduce transaction costs, and help small farmers achieve better access to markets. Work at IFPRI in other countries already examines in a gender-sensitive way critical market policies and institutions affecting smallholder farming, such as those related to access to land, credit, extension, services, crop insurance, and other resources. Opportunities of different groups of farmers to participate in high-value crop and livestock production, including the role of farmers' associations, cooperatives, and contract farming, are also being addressed. This work would be instrumental for Nigeria in the context of the REKSS.

Natural Resource Management

In Nigeria, as in many other developing countries, poverty, low agricultural productivity, and environmental degradation interact in a vicious downward spiral. Often too little intensification (production per hectare) is a major cause of natural resource degradation,

as desperately poor farmers mine soil fertility, fragile soils and remaining forests in an effort to survive. On the other hand, mismanagement of irrigation, fertilizers and pesticides in intensive farming systems can also be an important source of environmental degradation. To help understand the linkages and trade-offs between agricultural growth and environmental preservation and to identify the best options for sustainable development in different development domains, the REKSS will include spatial mapping of environmental problems and overlay these with ongoing patterns of land use and agricultural intensification. Mapping of “hotspot” areas of potential serious conflict between development and environmental goals provides a first step to identifying priority areas where greater attention to environmental management is needed. Targeted studies in hot spot areas can then help to identify options and strategies for sustainable development. These studies might include analysis of existing property rights arrangements and the levels of security they provide to resource managers, of appropriate types of technologies and natural resource management practices, and of alternative livelihood strategies.

Social sector

While the main focus of the Nigeria program and the REKSS must be on pro-poor growth, several social aspects, as articulated in the Social Charter of the NEEDS, that are closely interlinked with agricultural productivity and poverty reduction also need to be included. As a first step, the spatial mapping of key social variables, such as the incidence of poverty, child malnutrition and health (including HIV/AIDS) and overlaying them with key information on development options, infrastructure, public service provision and weather risks provides a powerful basis for linking agricultural and rural development strategy with investment decisions for social objectives and targeted safety nets. This mapping can also help identify priority areas where special studies may need to be undertaken to identify options for appropriate social interventions. For this purpose, available household and community survey data must be spatially referenced, and this may require working with relevant government statistical departments in including spatially explicit reference data in future surveys and social assessments. In some countries, IFPRI has also found it useful to map the social support activities of NGOs and to overlay these with the support activities of public agencies as a means to identify important areas of duplication and omission.

Improvements in women’s social status and female education can be very effective in helping to reduce child malnutrition and for increasing agricultural productivity. Mapping of gender specific information (e.g. the incidence of female headed farm households) can be very insightful for targeting programs to assist women farmers.

Monitoring and evaluation

By integrating sector data bases the proposed REKSS can also be instrumental in building capacity to develop and implement appropriate sectoral M&E systems and indicators, to report on progress against sector goals and assess lessons learnt for the future. There is a clear need to take stock of rural policy progress in Nigeria, and in

particular to better understand how policies are being implemented, why things are or are not on track, and how this affects different target groups.

IFPRI is already playing a role in developing M&E system in several parts of Africa, at country and regional levels, including the West-Africa region. This experience can be brought into the collaboration with Nigerian partners that are already actively involved in designing and implementing M&E, for instance in the context of monitoring the MDGs and the various rural strategies earlier mentioned.

Given the severe data constraints faced by all researchers in Nigeria undertaking policy analysis at local and meso- and national scales, an important element of any strategy support program should be the development of publicly accessible primary data sets. In particular, there is need to develop integrated household survey data sets with strong agricultural production and marketing modules, and market and commodity chain studies.

The REKSS can significantly contribute to accelerate the concerted efforts needed for sustainable improvements of the data base, which may not only require longer-term investments and technical assistance, but also some attitude changes towards data collection and publication among major decision-makers.

Pillar 2: Actionable applied research on specific knowledge gaps

In addition to the research and analysis required to establish and service the REKSS, it is also proposed to undertake a sequence of special research activities designed to fill important knowledge gaps related to the rural development strategy. It is expected that two or three research projects would be ongoing at any one time, with a timeframe of 12 to 18 months each. The research teams who will conduct the analysis will be composed of a set of national and regional actors as well as IFPRI staff members. Identification of topics for research activities would be agreed with the program's national advisory committee.

Pillar 3: Strengthening national food and agricultural policy research capacity

The program would contribute to strengthening national food and agricultural policy analysis through its direct collaborative links with federal and state research institutions and researchers in creating REKSS and in undertaking special studies. It is expected that a core group of individuals would be assigned/seconded to the program on a full or part time basis from different government agencies to work on an interactive basis with IFPRI staff based in Abuja.

After jointly determining where policy research capacity most requires strengthening, training activities would be designed in collaboration with various national and regional partners. It is envisaged that, annually, two or three 1-week training workshops will be held on various subjects pertinent to the rural development issues that are faced in Nigeria. IFPRI's training program and a leading IFPRI or external expert on the relevant subject would jointly develop the training modules.

The main objective of the capacity-strengthening activity is to coach a committed core group of food and agricultural policy analysis experts.

Policy communication is an important component of the research support program. It is envisaged that regular workshops and roundtables will be held to bring together the research and analytical teams, the various stakeholders, and national policy makers, to share and disseminate results and foster dialogue on important policy issues. Policy briefs and issues papers would be prepared on a regular basis. In addition, a program website would be created for broader dissemination.

Pillar 4: Improving Federal and State Level Linkages

Given that many decisions on agriculture in Nigeria have been decentralized to the states a main focus of the *Knowledge and Research Support Program* would be to assess to what extent it could be broadened to support state level governments in designing and carrying out their rural strategies and improving linkages with their Federal counterparts. It is proposed that the program should start to work with one or two states and assess how interaction could be improved, where comparative advantages lie, and how working relationships could be strengthened. It is expected that states vary in their capacities and several models for scaling up activities to other states may have to be developed. Any scaling up would have to be taken up after the initial 3 year project implementation period.

Support at State level

It is proposed that the program should start to work with no more than one or two states and assess how interaction could be improved, where comparative advantages lie, and how working relationships could be strengthened. The initial set of states to work in would be selected jointly by the National Advisory Committee and program sponsors under consideration of the following criteria: diversity and representativeness of agricultural production and rural livelihood systems; degree of success in agricultural and rural policy implementation; institutional policy analysis and implementation capacity; regional balance; and demand from state governments. It is expected that states vary in their capacities and needs, and that several models for scaling up to other states may have to be developed. Any scaling up would have to be taken up after the initial 3 year project implementation period.

Partnerships and Stakeholders

The success of the A-PSF depends on how key Nigerian partner organizations and stakeholders, such as research institutions, ministries, universities, regional organizations, and civil society, perceive its relevance and utility, can be engaged in fashioning it, and are convinced of its usefulness in making rural development strategy decisions. Only through such institutional engagement will the knowledge support system be able to provide improved and commonly accepted approaches that can foster, enhance, and improve synergies among the varied and multiple development efforts in Nigeria's rural economy.

Core partners in the proposed program would include the key ministries and Government institutions directly dealing with agriculture and rural development, possibly reaching beyond agriculture, e.g. the Ministry of Finance and the National Planning Commission. A number of important universities and other key research institutes would be covered, such as the University of Ibadan, the African Institute of Applied Economics (AIAE), the Nigerian Institute of Social and Economic Research (NISER), and a number of National and State level Agricultural Research Centers. NGOs would be invited, as would the business community, farmers' organizations, and other private sector institutions.

Inception workshop

At an early stage of operations a one-day program inception workshop would be organized in which active consultation with lead agencies, national researchers, and civil society groups would take place for the purposes of:

- informing key people and institutions at federal and regional levels about the program and its objectives;
- identifying key research and network partners within and outside government, at national and state levels, to be involved in policy research and the REKSS;

- reviewing important issues and knowledge gaps related to the design and implementation of the rural development strategy that could be addressed through this program;
- identifying policy analysis and knowledge management capacity constraints and capacity-strengthening needs.

Program management

While it is expected that the Ministry of Agriculture and Rural Development (FMARD) would act as the focal government agency that will directly and regularly interface with IFPRI on the management of the research and knowledge support program, the role of the National Planning Commission (NPC) as coordinator for NEEDS implementation must be integrated into the delivery of the A-PSF.

National Advisory Committee. The program will also be guided by a National Advisory Committee (NAC) composed of members from the key Ministries and some State officials. Additionally, there should be representatives of other national stakeholders including the business sector, national research organizations, civil society and donor agencies.

Among others the NAC would (1) determine priorities of the program, (2) provide feedback on the progress of the program, (3) review and evaluate the work plan of the program, and (4) facilitate collaborative linkages and partnerships with the respective institutions.

Interaction of Government with donors on program priorities and agricultural policy issues would be ensured through policy workshops, roundtables and separate Government/donor coordination arrangements.

Program Team The core program team would be composed of both internationally and nationally recruited staff and would collaborate closely with program affiliated staff, posted or seconded by relevant government departments, as well as with a network of research partners from various national research institutions.

Three internationally recruited IFPRI staff members (a senior research fellow and team leader, a post-doctoral fellow, and a data/GIS expert) based in Abuja would be supported by at least 15 months per year (20 months in year 1) of specialist Research Fellow time from Washington D.C. The qualifications of the team leader would include excellence in applied research, practical experience in policy and stakeholder dialogue, and good managerial capabilities.

Locally hired staff would include at least one Ph.D. economist, research assistants and administrative support staff. Additional staff, especially locally recruited ones, could be added as required for specific activities. The core program staff would work closely with collaborators in different agencies to develop and implement the program's activities.

Action plan

A two phase action plan is proposed.

- A design phase (phase I) involving an:
 - IFPRI exploratory mission to Nigeria
 - An in-country high-level roundtable discussion
 - Preparation of a full proposal for phase II
- A project implementation phase (phase II)
 - an initial 3 year program
 - starting with an inception workshop
 - an evaluation in year 3, leading as appropriate to
 - a third phase of continued support to the country.

IFPRI exploratory mission

IFPRI would not be able to consolidate the design of the phase II proposal and confirm key stakeholder ownership and linkages without conducting an extensive exploratory mission. It is therefore proposed to send an IFPRI team to the field in early 2005 to develop a full project proposal. The main objective of the mission would be for IFPRI to establish that there would be strong government buy-in into the proposed support program and that the appropriate institutions can be involved. Meetings would be held at both the Federal and State levels (perhaps just 2-3 states). The IFPRI team would also meet and discuss the project with the Nigerian Donor Group on Agriculture and Rural Development.

The mission would also:

- Address questions related to the program management structure, in particular the placement of the central program management unit, possible sites for satellite offices, support for state governments, the role of international and local team members, and the composition of the National Advisory Committee;.
- Assess interest from other donors in technical and financial support for the project and its goals;
- Develop a more detailed program proposal for phase II, including a full budget, revised log-frame, and implementation schedule.

During the exploratory mission IFPRI would also organize a high-level multi-stakeholder roundtable in Nigeria to discuss the agricultural, and poverty challenges facing Nigeria over the next couple of decades and strategies needed to achieve the MDGs. One output from such a roundtable could be an identified set of priority policy research, data,

capacity strengthening, and training needs, which could form the basis of the proposed Agriculture Policy Support Facility.

Lessons learnt from past IFPRI policy outreach activities

IFPRI has been actively involved in policy outreach and rural strategy development activities in sub-Saharan African countries for over two decades, most prominently in Malawi, Ghana, Mozambique, Uganda, and Ethiopia where IFPRI had or still has field offices and out-posted senior staff. From this experience the institute has learnt several critical lessons on maximizing the policy impact of research:

- Evidence-based policy research is most successfully translated into policies when demand for policy information emanates from the policy makers themselves;
- Policy makers pay more attention to policy research results when they are jointly generated with their own staff and when they are convinced that their interests have been acknowledged by the researchers;
- Implementation of policy advice is enhanced when attention is paid to continuous policy dialogue and capacity strengthening of policy makers, executive government officials as well as parliamentarians;
- Identifying policy windows and providing tailored information at the right time improves chances of having policy advice adopted;
- Policy research and analysis capacity have to be built incrementally and sustainably, which means on-going support for key government policy agencies as well as encouragement of a think-tank culture for producing high quality, policy relevant research products;
- Coordination and networking are key to making use of existing research capacities and products for policy information.

iii) Expected benefits to beneficiaries and the Recipient Country Partner

The Agriculture Policy Support Facility proposed here is expected to strengthen the design and implementation of Nigeria's rural development strategy by providing relevant and timely policy analysis on key issues and by building a dynamic knowledge support system (including an M&E system) and associated human capacity within the country that can continue to inform policies related to rural development and food security in the future. Direct benefits would accrue to core local partners in the program, such as key government institutions, research organizations, as well as private sector and civil society organizations through improved analysis capacities and linkages. Ultimate impact could also be expected from improved rural program formulation in terms of rural livelihoods, reduced poverty, and malnutrition, provided that programs are effectively implemented and enabling conditions are in place.

iv) Program risks

Potential program risks include:

- The prospects for continued Government commitment to agricultural development and its openness to evidence-based policy analysis are ambiguous
- Possible political interference, particularly politization of data collection and utilization efforts, and sensitivity towards spatial maps
- High staff turnover and instability in collaborative relationships

Mitigation and monitoring of these risks will require serious Government commitment to the proposed program, hence the need for an exploratory first phase to establish if the desired form of partnership can be meaningfully established at an early stage.

v) Sustainability upon completion

The ultimate goal of the proposed activities is to develop a lasting capacity and willingness of policy-makers, policy analysts, and researchers to provide and make better use of data, information, and knowledge for tangible improvements in rural policy design and implementation. Institutional sustainability and continued investments by the Federal and state governments in Nigeria in maintaining and enhancing the systems developed under this program after its completion are crucial. Ensuring continued utilization of primary data sets, feeding-in of critical research information into policy-decision making, and maintaining and enhancing the dialogues of the various stakeholders requires a careful support strategy.

To ensure sustainability and country ownership IFPRI relies on a three-pronged approach of (1) building up strong national policy research and analysis teams over time and linking them to regional and international institutions; (2) systematically strengthening carefully selected institutions within and outside of government rather than just supporting individuals; and (3) ensuring continued demand from the public domain for program outputs, including policymakers and other stakeholders such as civil society groups. IFPRI would employ a number of training, capacity strengthening, and policy dialogue approaches as outlined in the section on *Program contribution to overall capacity development in recipient country* to ensure sustainability beyond program completion.

d) The Proponent

There are several reasons why the International Food Policy Research Institute (IFPRI) can well serve the role of leading the proposed policy support program:

- IFPRI has broad international experience with development strategy that places agriculture as the engine of economic growth. IFPRI has historically made seminal research contributions in this area, dating from its inception nearly 30 years ago, and is internationally recognized for its research excellence on rural development policy.
- IFPRI has considerable experience in Africa in conducting research on strategies and policies to promote productive and sustainable land management, improve markets and increase farmers' and traders' access to them, and develop pathways out of poverty. IFPRI's trademarks include its poverty orientation, gender and intra-household research, and strong emphasis on household data collection and analysis.
- As a member of the Consultative Group of International Agricultural Research (CGIAR), IFPRI could draw on other CG centers, such as IITA, ILRI, ICRISAT, or IWMI as appropriate.
- IFPRI has experience and contacts in Nigeria, and has worked with a variety of local actors, as well as with local CGIAR organizations, in particular IITA and ICRISAT. In the past few years, IFPRI has:
 - In collaboration with IITA, undertaken analytical work helping to identify some of the most promising commodities (by sub-regions) for R&D and market investments. IFPRI also developed an economy-wide model to simulate growth and poverty trends under different agricultural investment scenarios.
 - In its program on "Building on Successes in African Agriculture" IFPRI closely collaborated with IITA, Nigeria, on recording and propagating the achievements in the release of new cassava varieties and biological pest control.
 - IFPRI's Food Consumption and Nutrition Division has recently completed a Nigeria case study investigating the links between agriculture and nutrition.
 - In early 2004 IFPRI reviewed Nigeria's agricultural research system and published a country brief under its ASTI (Agricultural Science and Technology Indicators) program.
- IFPRI already has direct links to the Head of State of Nigeria, President Obasanjo, following his participation in the 2020 Vision Conference "Assuring Food and Nutrition Security in Africa by 2020 - Prioritizing Action, Strengthening Actors, and Facilitating Partnerships" held in Uganda in April 2004. Several other prominent Nigerians attended the conference.
- In 2003 IFPRI established a Development Strategy and Governance Division (DSGD) whose mandate is to undertake research and outreach activities on a range of rural development and food security strategy issues related to reaching the Millennium Development Goals. DSGD has experience with similar country support programs in Ethiopia, Uganda, and Ghana. DSGD is also collaborating with IITA on the creation of a Strategic Analysis and Knowledge Support System for the West-Africa region

that could provide relevant information to Nigeria on regional agricultural trade, science, and technology issues as well as primary GIS data bases.

- Through partnership with IFPRI in this program, Nigeria could greatly improve its access to IFPRI resources and expertise as it seeks to move forward in the implementation of its rural development strategy.

In sum, IFPRI has significant, long-term experience in agriculture and rural sector work in Africa, a methodology of promoting knowledge and research systems based on experiences in Ethiopia, Uganda, and Ghana and historical experience and relationships in Nigeria. IFPRI is well placed to establish an integrated knowledge and research support system and to convene a consultation with agricultural stakeholders in Nigeria as a neutral, credible body with considerable international and African experience in facilitating policy dialogue.

This detailed proposal has been prepared by the IFPRI Development Strategy and Governance Division in close cooperation with various researchers at IFPRI involved in past IFPRI Nigeria work and ongoing country knowledge and strategy support programs.

i) Program contribution to overall capacity development in Nigeria under the NEEDS

The planned program as a whole is designed to strengthen the capacity of policymakers, researchers, analysts, advisers, program managers, and trainers to design and carry out agricultural policy research, engage in policy communication, and to improve the development and implementation of evidence-based rural agricultural policies in Nigeria. Strengthening and capacity development not just of individuals, but also carefully selected institutions, is at the core of the program.

In line with its new strategy on Learning and Capacity Strengthening IFPRI plans to carry out these activities primarily in collaboration with local and regional institutions and networks and as an integral part of the larger research and outreach program. The following activities are envisioned to contribute to lasting capacity strengthening in Nigeria:

1. Collaborative advisory services to Nigeria's Federal and selected state governments

Highly qualified technical staff (both internationally and nationally recruited) will be placed in key federal and state ministries and/or other institutions to conduct collaborative policy analysis and establish improved systems and networks for generating, analyzing, and disseminating information. Terms of reference for this staff will emphasize one-on-one training with collaborators in these agencies focusing on skills development, problem solving and improved planning and utilization of applied research.

2. Short-term training workshops

A number of training workshops on agricultural policy analysis, strategy development and implementation will be organized for key researchers, policymakers, and civil servants which typically last 2-4 weeks and include lectures, seminars, group discussions, and hands-on exercises. Such group training seeks to deliver generic tools and methods as well as information on key topics. Preferably such training will be carried out locally, including IFPRI staff and senior researchers from local partner organizations. Shorter courses may be offered for policy-makers who do not have time for extended courses.

3. Training-of-trainers

An important aspect of group-training events will be the involvement of local resource persons based on a training-of-trainers concept. IFPRI will provide critical coordinating assistance to Nigerian partners to enable them to carry out workshops and courses and help in developing relevant curricula and training materials. In some cases, supplementing local with overseas training could help create a core group of trainers.

4. Joint and collaborative in-country research

The Program's applied actionable research and synthesis work will be carried out in close collaboration with eminent researchers from carefully selected research and academic institutions under the guidance of senior IFPRI research fellows. This helps not only to generate evidence-based information for policymakers in the short-run, but also to develop long-term capacity, linkages, and interest for applied research. A second long-term approach for capacity strengthening will be to support Nigerian students in master's and PhD programs through collaborative research on topics relevant for the Program. Both approaches are geared to produce a cadre of researchers that become specialists in selected thematic research areas.

5. Visiting researchers

As part of joint policy analysis programs, Nigerian counterparts may also visit developed-country organizations, including IFPRI's Washington headquarters, and work with researchers there or attend training programs of several weeks or months. This approach may involve short-term interaction and exchange of high-level policy advisory staff from developing countries with first-rate policy researchers.

6. Support for the National Agricultural Research System (NARS)

By utilizing the resources and the experience of IFPRI's newest division, ISNAR – International Service for National Agricultural Research – the Nigeria Program will

pay particular attention on the strengthening of the National Agricultural Research System in Nigeria and its re-direction towards more policy relevant research.

7. Regional and international networks.

Regional networks of policy analysts, policy advisers, and policymakers play an important role in IFPRI's capacity building effort. Regional research networks have been set up that involve pooling of resources to develop institutional capacity in regional developing-country organizations and to facilitate regional dialogue. Regional networks can provide critical backstopping to national research systems.

The Program will also explore to what extent Nigerian researchers, analysts, and policy-makers can benefit from international open universities and from new strengthening global food policy learning at the tertiary level (open universities with partners, assisting in tertiary education in food policy research in developing countries), and employing new methods such as distance learning.

8. Policy workshops.

This activity involves strengthening capacity for policy communication and policy dialogue—e.g., via national forums and regional conferences. These thematic and issue-based policy dialogues allow for increased information exchange, and greater mutual understanding among policy researchers, civil society and farmer representatives, and policy makers.

e) Recipient Country Government Support:

A main objective of IFPRI's proposed program design mission will be to establish that there will be strong government buy-in into the proposed support program and that the appropriate institutions can be involved.

ANNEXES

i) Results-based Logical Framework Analysis

(see separate attachment)

ii) Detailed project budget

(see separate attachment)

iii) Detailed project implementation schedule

(to be provided after program design mission)